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**Testimony of Scott Hawken
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Michigan House of Representatives Energy Policy Committee
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Good morning Chairman Glenn, Vice Chair Hauck, Minority Vice Chair Lasinski, and members of the Michigan House Energy Policy Committee. Thank you for the opportunity to testify today. My name is Scott Hawken, and I am Director of Project Development for Apex Clean Energy ("Apex"), an independent renewable energy company, headquartered in Charlottesville, Virginia, that is developing the largest portfolio of utility-scale renewable energy facilities in the nation.

Introduction

Apex has completed the development, finance, and construction of twelve wind and solar energy facilities and manages the operations for ten facilities in the United States and Canada. Apex is currently developing over 520 megawatts in Michigan, which represents roughly \$900 million in private investment. Additionally, Apex is a leader in providing renewable energy to several large non-utility purchasers, including Michigan-based furniture company Steelcase Inc. and the U.S. Department of Defense.

In 2016, Apex partnered with Steelcase, headquartered in Grand Rapids, Michigan, on a 12-year power purchase agreement for 25 megawatts of wind power from an Apex-developed project in the state of Oklahoma. At the time, this investment made up nearly half of Steelcase's renewable energy purchases and further diversified Steelcase's renewable energy portfolio. Apex's work with Steelcase highlights the corporate desire for long-term price certainty from clean sources in Michigan.

Michigan's Opportunity to Attract New Investment and Create Jobs

Apex appreciates the work of the Michigan legislature, and this committee, to tackle the important work of modernizing the state's energy policy. Act 342, enacted in 2016, took multiple bold steps to set Michigan on a course to drive energy costs down for job creators, improve the state's energy diversity, and attract significant investment.

Apex's experience with Steelcase is just one example of the corporate appetite for clean energy. In 2015, over 50 percent of all new power purchase agreements were executed by non-utility corporate customers, and the trend continues. What does this mean for Michigan employers?

When companies partner with developers like Apex, they avail themselves of opportunities to acquire the energy they need through flexible deal structures and lock in long-term contracts for low-cost renewable power. Such long-term contracts enable firms to contain energy costs and serve as a hedge against fluctuating electricity rates. This results in price certainty and unlocks company resources to invest in other areas of the business, expand, and create jobs.

Apex specializes in delivering this kind of financial certainty to corporations and investors alike. In this way, Apex can be much more than just an originator of renewable energy projects; it can serve customers as a provider of energy, investment, and risk management solutions.

Apex is also committed to partnering with the state's utilities to provide value to Michigan's ratepayers. Michigan ratepayers deserve low-cost, reliable power at a competitive price. With comprehensive experience in developing, financing, and operating renewable power assets, Apex is prepared to assist Michigan's utilities in diversifying their energy portfolios.

Act 342 also set a process in motion to implement utility green pricing programs. The Michigan Public Service Commission ("MPSC") recently opened a docket to explore issues around how such programs can, and should, work. Apex maintains that utility-sponsored green pricing—or "green tariff"—programs hold great promise for feeding the corporate hunger for clean, low-cost power.

Apex is dedicating significant resources and attention to the recent trend of utilities sponsoring green tariff programs, as well as to the trend toward direct transactions between corporate customers and independent power producers. Regulatory mechanisms have been approved in other jurisdictions that encourage long-term price certainty, ensure a healthy utility-customer relationship, and protect ratepayers in all customer classes.

Such arrangements drive local investments in new clean energy resources and encourage economic development, and Apex applauds the legislature's vision in spurring this work. Apex submitted comments in the docket and stands ready to work with the MPSC and legislature to further open customer access to clean power through this regulatory mechanism.

Regulatory Certainty

Regulatory certainty will be critical for Michigan to attract the level of investment that companies like Apex are prepared to unleash in the state. Of course, this is no different from what any industry might expect. Apex's business is centered on certainty, not subsidy, and we are prepared to grow in Michigan with a level playing field that invites investment. Put simply, Apex seeks an opportunity to compete in a fair, open marketplace.

Renewable energy development relies, in part, on working with a diverse group of landowners and other interests to secure resources and development rights. A critical part of that process is working proactively to protect the health, safety, and welfare of citizens in and around project

areas, through rigorous adherence to federal, state, and local law and significant investment in science-based environmental study. Apex is accustomed to working with multiple localities, and we take our role as corporate citizen in these communities seriously—the community's concerns are our concerns. As such, Apex appreciates the breadth of local considerations that are part of the development process as local stakeholders balance the challenges and benefits of new infrastructure. A system that balances local concerns while allowing private landowners to exercise their property rights will help Michigan achieve its energy policy, economic development, and job creation goals.

The state of Michigan has the opportunity to determine its own destiny—rooted in significant new private investment, low-cost power, and sustainability—and attract a 21st-century workforce. Apex would welcome the opportunity to work with the legislature to review industry best practices and explore how to achieve the goal of equitable regulatory treatment for the renewables industry.

Conclusion

Apex appreciates this opportunity to discuss our company's future in Michigan. Wind power is a vibrant, rapidly growing industry that provides low-cost power, spurs economic development, and creates jobs. Communities, ratepayers, utilities, and corporate energy consumers all want renewable power. With the support of the Michigan legislature, Apex will be positioned to deliver.

Please direct any additional questions or requests for additional information to me at scott.hawken@apexcleanenergy.com.